

280E repeal possible as part of GOP tax package

November 30, 2017

The Republican tax reform bill currently being debated in the U.S. Senate may end up including a repeal of 280E for state-licensed marijuana companies if a last-minute bipartisan amendment makes it into the legislation.

The amendment – offered by Republican U.S. Sen. Cory Gardner of Colorado – would essentially exempt cannabis companies from 280E as long as they're in full compliance with state laws.

It's a version of the **Small Business Tax Equity Act**, which was originally sponsored in the House by Florida Republican **Carlos Curbelo** and in the Senate by Oregon Democrat Ron Wyden.

The 280E provision of the federal tax code has long been the financial bane of marijuana companies that have been trying to play by the rules while also turning a profit.

The provision prevents MJ companies from taking standard federal tax deductions that are allowed for every other legal industry, so cannabis businesses typically end up paying a 70%-90% federal tax rate.

A number of pro-marijuana industry groups were hard at work Thursday lobbying senators to support the amendment, as the upper chamber went into what will likely be the final days of debate on the tax bill before a final vote.

“To help this amendment succeed, senators need to hear from you!” the National Cannabis Industry Association (NCIA) wrote in an email blast to its members.

Neal Levine, chairman of the marijuana industry organization **the New Federalism Fund** – which has been working almost exclusively on a 280E repeal for the MJ industry – said the amendment “has a real chance to pass,” in large part because of bipartisan support from members of Congress.

If you or someone you know is facing charges as a result of Medical Marijuana recommended to you as a medical marijuana patient under the Michigan Medical Marijuana Act, contact Komorn Law and ensure your rights are protected. Michael Komorn is recognized as a leading expert on the Michigan Medical Marijuana Act. He is the President of the Michigan Medical Marijuana Association (MMMA), a nonprofit patient advocacy group which advocates for the rights of medical marijuana patients and their caregivers.

Contact us for a free no-obligation case evaluation at 800-656-3557.

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By contrast, NCIA's director of government relations, Michael Correia, said he was "hopeful" about the amendment's chance and said it would be a heavy lift politically to get enough votes.

"It'll be a challenge to see if we can get 51 senators to support this," Correia said.

Americans for Tax Reform, headed by the conservative anti-tax crusader **Grover Norquist**, is also throwing its support behind Gardner's amendment and is lobbying senators to back the measure, sources told *Marijuana Business Daily*.

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